

**AGENDA**



**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	12152	Agenda Number	28.
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Meeting Date:	January 26, 2012
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Department:	Purchasing
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**Subject**

Authorize award and execution of a contract with HYUNDAI HEAVY INDUSTRIES for the purchase of a three-phase autotransformer to be installed at the newly developed Dunlap Station for Austin Energy in an amount not-to-exceed \$4,318,559.

**Amount and Source of Funding**

Funding is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy.

**Fiscal Note**

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Lowest evaluated bid meeting specifications of eleven bids received.
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Prior Council Action:	
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For More Information:	Gage Loots, Buyer II /512-322-6118
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Boards and Commission Action:	Recommended by the Electric Utility Commission.
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Related Items:	
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**Additional Backup Information**

This contract is for the one-time purchase of a three-phase autotransformer for Austin Energy (AE). Autotransformers are power transformers in which the primary and secondary coils share all or some windings. AE uses autotransformers in step down applications in large substations to reduce the voltage level from a higher transmission voltage (345kV) to AE's standard urban voltage (138kV). This ability to handle these high voltages makes autotransformers a vital part of the transmission system; especially during times of high peak load since congestion charges can be incurred from the Electric Reliability Council of Texas (ERCOT) if transmission paths are unable to handle the load.

This autotransformer has an expected lifespan of 30 years and comes with a five (5) year warranty from the date of acceptance. It will be installed at the newly developed Dunlap Substation, located approximately 1.5 miles north of the intersection of Taylor Lane and FM 969 (Webberville Road).

MBE/WBE solicited: 1/0

MBE/WBE bid: 0/0

**BID TABULATION**

IFB No. GAL0029

Three-Phase Autotransformer  
(1 – line item)

<b><u>Vendor</u></b>	<b><u>Total Bid Amount</u></b>	<b><u>Total Evaluated Bid Amount*</u></b>
Hyundai Heavy Industries Orlando, FL	\$4,318,559.00	\$6,730,259.00
Baoding TianWei Baobian Electric Co., LTD. Baoding, Hebei, China	\$3,960,000.00	\$6,927,000.00
Waukesha Electric Systems, Inc. Waukesha, WI	\$4,737,440.00	\$7,301,490.00
Siemens Energy, Inc. Wendell, NC	\$4,719,530.00	\$7,372,430.00
ABB, Inc. St. Louis, MO	\$4,439,000.00	\$7,386,620.00
Texas Electric Cooperatives Georgetown, TX	\$4,922,900.00	\$8,065,440.00
Efacec USA, Inc. Norcross, GA	\$5,446,500.00	\$8,319,590.00
Energy Parts Solutions Sedalia, MO	\$5,483,100.00	\$8,625,640.00
HICO American Sales & Technology, Inc. Pittsburgh, PA	\$4,762,600.00	\$10,123,170.00

Mitsubishi Electric Power Products, Inc. Warrendale, PA	\$7,739,000.00	\$10,927,900.00
Smit Transformer Sales, Inc. Summerville, SC	**	**

\* The Total Evaluated Bid is the Total Bid plus the cost of losses (electricity lost during the voltage reduction) over the 30-year life span of the transformer. The formula was published in the solicitation.

\*\* Non-responsive, failed to provide a bid bond with their offer as required by the solicitation.

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Eighty-one notices were sent, including one MBE. Eleven bids were received, with no response from the MBE.
- c. This is the first purchase of its type; therefore, there is no pricing history available.

**APPROVAL JUSTIFICATION**

- a. Lowest evaluated bid received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.